

# Step 14

## POS

### (Policy Owner Service)

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#### Useful links

Planet Altig website  
<http://planetaltig.com>





## If you had a stack of hard card leads that went to the ceiling...

**...all the way from the ceiling to the floor and you could choose which of those people were going to be buyers, wouldn't you be the richest person in the world?**

If you were given a magic wand and you could wave that magic wand up and down over that stack of leads, and were able to determine which people were the buyers in that stack, would you be excited about that? Guess what?

### **POS is that magic wand.**

Think about it for a second. Our public relations people had to go out and secure these groups, get the mailings approved, get the cards and letters sent out, and then the members send the cards back. Then an agent goes out there and sells a policy. And then what has to happen? The application has to go to Home Office, be approved, and the people have to pay on it every month. Is that a proven buyer? That is who you are getting to see. Our friends! The policy holders of American Income Life.

You might be thinking what do I say and do during the warm-up? They already have a program, what am I going to sell them?

Remember, they've always got gaps.

- Very few policy holders have ever started with a full hour of their wages a week.
- A lot of times their spouse didn't get a paycheck, or didn't get a full paycheck, or didn't even get the benefits at all, or the children didn't get any kind of benefits.
- They probably haven't seen the cancer, hospital, and other critical illness coverages we have available.

You have everything for these people, you just have to go out and see them. Policy holders represent someone with the ability to pay for our plan and it is proven over time that they will pay, and they will continue to pay and not lapse. So what kind of advantage do policy holders give you? They give you the advantage of having very high net-to-gross and very high retention on your business. They've got a stickability factor that exceeds that of any other type of resource.

## **Start with the Terminal Illness Rider**

**The terminal illness rider is one of the best ways that you can gain the policy holder's interest,** because it is something that very few of them have every heard about, as it just started being offered within the last few years. What the terminal illness rider guarantees is that every policyholder, when they get diagnosed with a terminal illness and are expected to die within 12 months (24 months in WA), the company is going to send them 50% of the face amount of their policy. When that member has a \$50,000 policy and their doctor provides a diagnosis that they are not expected to be here 12 months from the diagnosis (24 months in WA), they are going to receive \$25,000 immediately. What a great benefit, and you get to add this to their existing coverage at no cost; to every single life policy holder throughout our company. What a great opening for your visit with them!

## Paycheck Protection

### **When you visit a policy holder, start looking for the gaps in their coverage.**

One of the tools to use is the District Office File Copy. Just go through the form and start asking questions. Find out about the spouse and children. "Are either of you taking any kind of medication? Have either of you ever had a problem with alcohol or drugs since you've taken out your plan? And do either of you have any kind of health problems?" Once you make those determinations, go through the coverages and fill in what the policy holders currently have. So if they have a \$5,000 Freedom of Choice on the member, but not on the spouse and the children, write \$5,000 for the member and put zeros for the spouse and children. Go through and fill out the whole thing, circle where they have the gaps and say,

"Well it looks like you guys have made an excellent start, but you still have some gaps in your policy. That's the reason they have us out here, to help fill in those gaps. In fact Mark, before I came here, I was looking over your policy and I saw you don't have the paycheck benefit on your spouse. What happened? Beth, you're working, aren't you? Well why would you not have the paycheck benefit on you?"

Another great approach with the paycheck benefit is to open up their present policy, look at the paycheck benefit on page 3, and show it to them, asking, "Mark, is that what you make a month?" Their answer may be, "Well, no I make a lot more than that." Many times, the first agent may have been told that they couldn't afford a full plan and so didn't really sell them a benefit that would match their full paycheck. Remember, you are out there servicing their policies, and bringing their benefits current with what they need. Policy holders like to be serviced, and we provide this kind of service once a year with every policy holder.

## You already know what to do

### **You already know how to present to the policy holders.**

Think about it for a second. You know the Hour Power presentations. It's as easy as can be - simply go to the part of Hour Power that they don't already have; or that they don't have enough of, and say that part of the script. It is so very simple, and there is one great advantage with POS: the people are already familiar with the presentation, they already know what you are there to talk about. So when you show them that the member already has the Hour Power benefit but the spouse doesn't, and she is working, they already understand that when she dies, they're going to need some money coming in to replace her wages.

## Freedom of Choice

### **Freedom of Choice is another benefit that is very powerful for POS.**

Many people enrolled in their Freedom of Choice two years, five years, ten years before. What's happened since then? Inflation has happened. You can use the "Projected Funeral Expense" sheet to show the member how adequate the Freedom of Choice is now, and what the gap will be in twenty, thirty, forty more years. Point out that now, while they are in good health, they can go ahead and make those increases to keep their family protected in the future.

## Phone Booking

### **How do you get in touch with these policy holders?**

These are probably the simplest phone calls you ever made. Follow the phone presentation specifically designed to be used when booking POS appointments. That's it! Members want the service updates; they want their new health services discount card; they want the new terminal illness rider; and they want to see you. These are people that are going to make you feel really good for going to see them.



## Help Members Make Claims

### **Help people make claims when they have them.**

Always ask people if they have an A71000 and if they if they made any claims on it. Many times this helps jog their memory, and you can actually assist them in completing a claim when you're there in the home. For example, a woman had an old hospitalization policy but had forgotten about the benefits it provided for her. Because the associate asked her about it and helped her with the claim form, she ended up receiving over \$4,000 that she didn't even know she had coming. Did you know that most companies say they won't go back beyond ninety days-6 months from the date eligible charges were incurred? One of the great things about American Income is they have always had the policy that they review any claim, no matter when it was incurred.

## Referrals

**When someone is happy with our program, with the level of service we provide them,** and happy with our claims service, that person is going to give some of the best referrals that you've ever received or seen. Look on their policy and see who is listed as contingent beneficiary. Often that person/persons doesn't know they were made the contingent beneficiary. If it says sister, brother, mother, father, uncle, aunt, friend - make sure you get the information on them. Let the member know that you will not only let them know what has been put in place for them, but also let them know they are eligible for the same benefits. Also offer the health services discount card and AD&D gift certificate to their friends and family, because of the member's status as a policy holder with American Income.

Don't forget that while you are still there, ask the policy holder to get their son/daughter/uncle/etc. on the phone so you can set an appointment and get it all taken care of for them.

As you have now learned, doing Policy Owner Service is probably the most fun you are going to have with our company. It is the most gratifying, because you're actually providing service and helping them make sure their benefits keep pace with their hourly wage and their needs. When something does happen to them, they are going to be happy that you took the time to thoroughly investigate and review their policy, and made a professional recommendation as to how they can enhance their policy.

# Policy Owner Service Review

- It starts from the first call; follow the script but make sure to ask who their beneficiary is, have the beneficiary present along with their service folder to go over every thing with them.
- Do the first part of the script because we don't know what the last person said. Get to know them and establish trust & rapport by helping them with any service needs such as: claims, change of address, change of beneficiary, banking changes and child add-ons.
- They have us out here for 3 key reasons:
  1. To let you know about the Food Bank and Family Information Guide.
  2. Activate your new Health Services Discount Card.
  3. Review your current benefits.

Get REFERRALS here even though they might have given before, as they may have new friends since the last visit. Also mention that we will cross-reference on the office computer database to see if we have the previous referral's information; if not we will get their benefits out to them.

• Re-explain their current benefits by following the script and put the numbers on the "District Office File Copy". This needs to be done with enthusiasm and passion to rebuild the good feelings of why they first enrolled; then congratulate them for taking care of this for their family.

• Ask if they have any questions.

• Now proceed into some gaps & challenges, then give them the solutions.

## Here are a few scenarios used when seeing P.O.S.

### 1. Inflationary Top-up of Freedom of Choice

Start by saying..."What is happening today is that a lot of members are asking how this pertains to retirement; you are currently 40 years old now, but your life expectancy takes you well into your eighties."

"In fact let me show you this chart... (Life Expectancy Statistics chart) So as you can see, if you are living in North America you are expected to live to 84; that is 44 more years from now. Most funeral plans today run anywhere from \$6,000 to \$14,000 and currently you have \$8,000 in your Freedom of Choice benefit which is great. However, if you live another 44 years that \$8,000 is not going to be enough due to INFLATION."

"Think about this for a minute John; 25 years ago you could buy a house in Hawaii for \$50,000. That house is now worth well over \$400,000. This is due to INFLATION!" (Give a car example here as well to paint that picture of numbers over time)

"Let me show you this chart... (Projected Funeral Expense chart) the average expense for funerals today is \$8,000; however, over the next 44 years with 3% inflation it will cost \$29,371 and at 5% inflation it would cost \$68,458."

"You are currently \$21,371 to \$60,458 short due to inflation; so what they are ALLOWING you to do is to TOP-UP your Freedom of Choice benefit based on your age & inflation."



“Understand one thing here; once you have done the top-up you don’t have to worry about it since it is based on inflation. So even if your medical condition changes in the future, they cannot take this away from you and the full benefit is paid out upon premature death to take care of all other final expenses.”

“However, just because you had this benefit originally through your union does not automatically mean that you can get it; you do have to re-qualify for it. If you are too high a risk, they will not let you in so I have to ask you a few questions to even see if you qualify... (ask qualifying questions)”

“You can set aside anywhere from \$10/wk to \$20/wk to take care of this for your family.”

1. 3%: \$10 gives you \$\_\_\_\_\_.
2. 4%: \$15 gives you \$\_\_\_\_\_.
3. 5%: \$20 gives you \$\_\_\_\_\_.

“Now what is going to fit your budget the best? Do you want to do like most of the members and go with \$15, or do you feel you need to do more because you are still healthy and do \$20, or do you just want to go with the basic at \$10; which way do you want to go?”

## 2. Conversions of the 10 year R&C and Spouse Rider

Show on their policy the difference between the FOC & pay check by explaining that one is a permanent plan and the other is a term plan (like their work insurance).

On the back of their policy show that it is “*their privilege to do a conversion*” without proof of insurability.

Explain the difference between term & permanent plans:

### Term

Rent it  
Doesn’t build value  
Cost goes up  
Expires (65)

### Permanent

Own it  
Builds value  
Cost is FIXED  
NEVER expires

Show the extra premium needed to convert the 10RC or spouse rider to permanent coverage.

To clinch the sale - explain the Paid-Up Benefit with how much they would put into the plan until 65. Ask “if this was term, what would happen to the money...Exactly, it’s gone!” “Now that it is permanent, your family will receive this amount and you don’t have to put any more money into the plan after age 65.”

On the close - Ask “do you want to do like most members and just convert the original amount or do you want to do more because you are still healthy and young; which way do you want to go?” Let them make a decision first and then give a higher face amount using EX or Select Life rates. (Remember they have to qualify for any amounts over the face amount eligible for conversion.)

### **3. Paycheck addition**

Explain their benefits, ask for their combined hourly wages and then show an extension of the current pay check for 3 or 5 years as a top-up.

As with the Inflationary Top-Up close, give 3 levels of close -1, 2 or 3 years income.

### **4. Addition of the spouse to the entire program**

Ask if the last person they saw let them know that Beth was allowed to enroll in the benefits as well.

### **5. Increase the coverage to fit their hourly wages**

You are obligated to show them what setting aside one hour of their combined incomes will do for their families as per the “*Hour Power Principle*.”

### **6. Additions of a pay check to the spouse’s coverage**

Mention that both husband & wife need to be treated equally and that if anything happened to Beth, Mark would still need to have babysitters help out as well as all those Final Expenses that occur.

### **7. Terminal Illness Rider**

Explain that 50% of the FOC can be taken out as cash upon diagnosis of a terminal illness. Now they need to double up on their current FOC, providing they qualify, to compensate for removing 50% cash from their FOC and ensuring there is enough cash for final expenses.

Give 3 levels of coverage for top-ups; but use weekly dollar amounts they need to set aside.

### **8. Child Rider add-on & Headstart additions**

### **9. Accident & sickness/hospital additions**